

First APEC Ministerial Meeting on Food Security

Niigata, Japan, 16-17 October 2010

NIIGATA DECLARATION ON APEC FOOD SECURITY

Preamble

1. We, the APEC Ministers responsible for food security, met for the first time in Niigata, Japan from 16 to 17 October 2010 under the chairmanship of H.E. Michihiko Kano, Minister of Agriculture, Forestry and Fisheries, Japan.

2. We welcomed the participation in the meeting of representatives from the Asian Development Bank (ADB), the Food and Agriculture Organization (FAO) of the United Nations, the United Nations' High-Level Task Force (HLTF) on the Global Food Crisis, the International Fund for Agricultural Development (IFAD), the United Nations Conference on Trade and Development (UNCTAD), the World Bank, the World Food Programme (WFP) and the APEC Business Advisory Council (ABAC).

3. Global food security stands at a crossroads. The food price spike in 2007 and 2008 served as a wake-up call about the vulnerability of long-term food security. In 2009, for the first time in human history, the number of undernourished people in the world exceeded 1 billion¹, although it is estimated to have declined to 925 million in 2010. Looking to the future, the world's population is expected to reach 9.1 billion by 2050, and food production will have to increase by 70 percent to feed them². On the other hand, agricultural production has been increasingly constrained as crop yields are not improving as fast as in previous years; public investment has diminished in the long term; and desertification, shortages of fresh water, conversion of farmland to non-food production and the adverse impacts of climate change have increased. Consequently, average crop prices over the next decade are projected to remain above the levels evident during the decade prior to the 2007-08 peaks³. These realities underscore the importance of trade in food and agricultural products.

Food Security and APEC

4. Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life⁴. This commonly accepted definition of food security comprises four elements: availability, accessibility, utilization and stability. The availability of sufficient food is a prerequisite for access to food conditioned by consumers' purchasing power; while food must be safe, diverse, balanced and nutritious, and available and accessible throughout the year. Food

security must be realized at all levels: ranging from individuals and households, through to the domestic, regional and global levels. Agriculture, which provides food, can contribute to other positive externalities such as conserving agricultural land, fostering water resources, preserving landscape and protecting biodiversity. Approaches taken by economies on food security will vary depending on each economy's level of development and its position in food trade. Food security is, however, a common concern for all APEC economies as food is an absolute necessity for human survival.

5. As the pre-eminent forum for economic cooperation in the Asia-Pacific region, APEC has an important role to play to improve regional and global food security. While APEC's member economies have reduced the region's undernourished people by 24 percent between 1990 and 2006, more remains to be done with about one quarter of the world's undernourished people residing in the region⁵. APEC economies are vulnerable to food security risks throughout the food chain as exemplified by a number of protests and riots that occurred during the food price spike in 2007-08. The region is frequently exposed to natural disasters such as earthquakes, tsunamis, typhoons, floods and droughts that temporarily disrupt food supply, damage the food production base, disrupt livelihoods, displace people and reduce access to food. APEC is, however, well placed to help improve regional and global food security, with its members accounting for half of world grain production and including major exporters and importers of agricultural products. Trade plays a key role in food security, and APEC as the premier forum for facilitating economic growth, cooperation and trade and investment can make a major contribution to food security efforts. Improved food security in the region would contribute to the attainment of APEC's human security goals and assist the implementation of the APEC Leaders' Growth Strategy.

6. The lessons learned from recent food price spikes provide valuable guidance on the ways in which APEC can address food security. For the past few decades, efforts by the international community have placed a strong emphasis on demand side measures as a means to improve access to food through poverty alleviation. By contrast, investment in supply side activities such as agricultural research and development, extension and infrastructure have been insufficient. In view of its strong record of economic and technical cooperation, APEC is well positioned to help expand the availability of food through a focus on raising agricultural productivity, facilitating trade and investment and expanding markets. While poverty reduction and programs to ensure access to food for vulnerable rural and urban population remain important, this targeted approach will help ensure that APEC complements, rather than duplicates, other international efforts on food security. In undertaking this work, APEC will also help to set a positive example for other organizations and for non-member economies. APEC economies' experience and expertise can be leveraged to support the L'Aquila Food Security Initiative (AFSI) and Rome Principles for Sustainable Global Food Security. We recognized similar efforts by APEC economies which contribute to regional and global food security such as the ASEAN Plus Three Cooperation on

Food Security and Bio-Energy Development and the Global Agriculture and Food Security Program.

7. Now is the time to take concrete actions to feed the future. To meet this challenge, we agreed that APEC economies would collectively pursue the shared goals of (i) sustainable development of the agricultural sector, and (ii) facilitation of investment, trade and markets. We also endorsed an APEC Action Plan on Food Security, which identifies specific activities to be implemented by APEC economies to strengthen regional food security. We invited relevant APEC sub-fora to help carry out these activities in cooperation with responsible economies and ABAC.

Shared Goal 1: Sustainable Development of the Agricultural Sector⁶

8. Increasing the availability of sufficient, safe and nutritious food in the APEC region through expanded supply capacity, underpinned by viable rural communities, will be necessary to address a possible supply-demand imbalance for food that may result from future population and income growth. These collective actions need to be supplemented by cooperation to help adapt to, and mitigate, climate change and to enhance disaster preparedness in the agricultural sector to help the region achieve a stable supply of food for its people.

Expanding food supply capacity

9. The capacity to supply food can be expanded through increased agricultural productivity, improved usage of post-harvest technologies, enlargement of cultivated areas, rehabilitation of agricultural and grassland areas affected by erosion, reduction in losses throughout the food chain and the sustainable exploitation of underutilized sources. Ninety percent of the growth in global crop production by 2050 will need to come from increased productivity, including higher yields and increased cropping intensity⁷. Raising productivity is thus essential to feeding the world's growing population, and expanded emphasis on research and development, extension, and infrastructure development will contribute to achieve this objective. We will seek to mobilize the resources needed to increase productivity, including the review, approval and adoption of biotechnology and other new technologies and innovations that are safe, effective and environmentally sustainable. We also agreed that the APEC economies should facilitate the development and dissemination of new and existing technologies on mutually agreed terms. Building on our collective and individual efforts in these areas, we agreed on the need to increase agricultural production in the APEC region and to promote or accelerate utilization of all available food sources. We encouraged APEC economies to cooperate in reducing food losses in all stages in the value chain from production and processing to distribution and consumption by sharing best practice. We shared the view that through effective resource management of marine fisheries and sustainable development of aquaculture production, fishery resources will continue to be a secure and promising source of food supply. We acknowledged the outcomes of the Third APEC Oceans-related Ministerial Meeting (AOMM3) held October 11-12 in Paracas, Peru and

the Paracas Declaration and its Action Agenda, recognizing and emphasizing the vital contribution of marine resources and fisheries and aquaculture products to food security.

Enhancing disaster preparedness in agriculture

10. The Asia-Pacific region experiences over 70 percent of the world's natural disasters. Moreover, most APEC economies are located in the Pacific Ring of Fire, which is home to over 75 percent of the world's volcanoes and is the source of 90 percent of the world's earthquakes⁸. The agricultural sector is severely affected by these natural disasters. The spread of emerging pests and diseases is also a grave concern for the region. Improving emergency preparedness in the agricultural sector should thus be accorded the highest priority. We agreed to work together, in close collaboration with APEC Emergency Preparedness Working Group, to enhance regional capacity to mitigate, prepare for, respond to and recover from disasters affecting the agricultural sector, with a focus on the impacts of climate change and climate variability. We also agreed that APEC economies would collaborate in the prevention and control of transboundary animal diseases and plant pests, and to encourage the development of comprehensive risk management plans through information sharing and capacity building among members. At the same time, we agreed on the importance of social protection measures such as safety nets and other policies that protect the most vulnerable from shocks such as natural disasters. In this context we agreed to examine the feasibility of establishing cooperative approaches to address emergency food needs. We also acknowledged ASEAN+3 efforts in establishing the ASEAN Plus Three Emergency Rice Reserve (APTERR) to expeditiously safeguard food security in emergency situation.

Developing rural communities

11. Rural areas present challenges and opportunities for food security. About 75 percent of the poor in developing economies live in rural areas. Conversely, growth in the agricultural sector, the dominant income source for rural inhabitants, is at least twice as effective in benefiting the poorest as growth from non-agricultural sectors⁹. In some developed economies, agriculture plays a smaller and declining role in employment and income. Diversification of income sources, including the expansion of market oriented farming activities and off-farm incomes, could thus be a focus for improving food security. To achieve these goals, we agreed to share information and best practice to bring about a synergy between rural development and food security. We recognized the value of encouraging the consumption of foods, including those available locally, that contribute to diversified and balanced diets and to lessen their dependency on a certain staple food. We also agreed on the need to integrate and invest more to help women, young and poor farmers to improve their capacity to satisfy food needs - including quantity, quality and diversity - and thereby spread the benefits across families and generations. Furthermore, we recognized the importance of social protection measures such as school feeding and mother-and-child nutrition programs, which act as safety nets for vulnerable groups.

Confronting challenges in climate change and natural resource management

12. Agriculture depends heavily on natural resources such as land and water, and generates both positive and negative environmental externalities in terms of land, soil, water, landscape and biodiversity. Agriculture is also particularly vulnerable to climate change. Agriculture, as a source of global greenhouse gas emissions¹⁰, is contributing to this challenge. At the same time, it may also contribute to a solution through carbon sequestration in soils and forests and improved natural resource management practices. In this context, we agreed to work together to assist the agricultural sector to adapt to, and mitigate, climate change through the development and transfer of new and existing technologies, exchange of information, research collaboration and capacity building, in accordance with the principle of common but differentiated responsibilities and respective capabilities.

To this end, we noted the importance of bringing economies together in a bottom-up, voluntary network to increase international cooperation, collaboration and investment in agricultural greenhouse gas research. One positive example of such collaborative work is the Global Research Alliance which brings economies together to find ways to grow more food without growing greenhouse gas emissions. We also agreed to address natural resource challenges such as growing water scarcity, expanding desertification, increasing farmland conversion, diminishing biodiversity, degraded tropical forests and depleted marine fishery resources. Recognizing the opportunities provided by biofuels, we shared the need to cooperate on developing second-generation biofuels.

Shared Goal 2: Facilitation of Investment, Trade and Markets

13. Food security cannot be achieved without stable, efficient and equitable distribution systems that can deliver food to the whole population. In this regard, APEC economies should work together to facilitate improved agricultural trade, maintain reliable markets, enhance the business environment and ensure food safety in the region in cooperation with key stakeholders. Promoting responsible agricultural investment is an indispensable element of this goal.

Promoting investment in agriculture

14. Sufficient investment in agriculture is a prerequisite for long-lasting food security. However, the annual rate of accumulation of capital stocks in agriculture declined from 1.1 percent in 1975-1990 to 0.5 percent in 1991-2007. Development aid to agriculture decreased by 58 percent in real terms between 1980 and 2005, reducing the share of ODA to the agricultural sector from 17 percent to just 4 percent. To meet projected global food consumption needs in the future, there will need to be a substantial increase in investment in the agricultural sector. With this formidable challenge in mind, we committed to promote policies that enhance investment in agriculture and explore agricultural resources, so as to ensure long-term food security. We recognized the crucial role of private investment and encouraged the use of private-public partnerships. We acknowledged the value of foreign direct investment in agriculture as a means to deliver higher agricultural productivity and job creation in recipient economies. To this end,

noting the growing commercial pressure on land and other natural resources across the developing world, we supported responsible agricultural investment that aims to create a 'win-win-win' situation for recipient economies, local communities and investors. We also supported the ongoing efforts by relevant international organizations, in association with various stakeholder groups, to develop principles and best practice on Responsible Agricultural Investment (RAI) to help frame a coordinated global response.

Facilitating trade in food and agricultural products

15. Trade plays a key role in achieving food security. It ensures that people have physical access to the food that they need for a balanced diet. At the same time, trade also creates economic opportunities for people, which can increase their incomes and economic access to food. To this end, we reconfirmed the value of an open and rules-based multilateral trading system under the framework of the WTO, which provides predictability and stability in agricultural trade. We agreed on the need to sustain the benefits of globalization and open markets, highlighting the crucial importance of encouraging science-based standards, rejecting protectionism and encouraging the development of regionally integrated markets. We renewed our commitment to an ambitious, balanced and prompt conclusion to the Doha Development Agenda, consistent with its mandate, built on the progress achieved, including with regard to modalities. We reconfirmed the commitment on a standstill, first made by APEC Leaders in 2008 and extended by APEC Ministers Responsible for Trade until 2011. WTO inconsistent measures create negative incentives for farmers as an unpredictable policy environment discourages investment and only provides a temporary and inefficient benefit, often neglecting those consumers with the lowest incomes. Recognizing the vulnerability of all economies, and particularly net food importing economies and developing economies, to external shocks, we noted the need to ensure an appropriate mix of domestic production, international trade, stocks and safety nets for the poor reflecting levels of development and resource endowment. Building on successful APEC efforts to promote free and open trade, we supported the cooperation in facilitating trade in food and agricultural products by addressing relevant measures including non-tariff measures and non-tariff barriers.

Strengthening confidence in agricultural markets

16. The sharp spike in food prices in 2007-08 raised concerns about volatility and uncertainty in agricultural markets. Although the trend in price volatility in international markets is mixed depending on commodities, global food commodity markets are likely to show periodic volatility for the foreseeable future¹¹. We agreed to work together to address volatility and uncertainty in commodity prices and to strengthen confidence in international agricultural markets. Specifically, we agreed to jointly explore the best way to reduce uncertainty in agricultural markets, including through information sharing among economies based on experiences in other regional and international fora.

Improving agribusiness environment

17. An agribusiness sector that links farmers and consumers plays an increasingly pivotal role in food security as economies develop and food is provided through longer value chains. Governments must thus act to improve the investment climate to induce the entry of investors and to address bottlenecks to the development of micro, small and medium sized agro-enterprise¹². To achieve these outcomes, we agreed to cooperate to improve the investment climate by providing public goods such as infrastructure, by establishing a secure legal and regulatory framework and by ensuring access to financial services. To this end, we expressed our collective desire for further innovation in micro-finance in the food and agricultural sector. We agreed to facilitate the development of a strong food supply chain that provides sufficient, safe and nutritious food. We also agreed on the need to promote shared standards, the development and use of science-based regulations, and the establishment of comprehensive and balanced intellectual property systems.

Improving food safety practices

18. Building the capacity of economies to produce, access, and distribute safe food, as well as developing appropriate food safety regulation, is an integral element of food security. Given the significant public health and economic impacts of unsafe food, greater collaboration among food scientists and regulators, as well as the use of science and risk-based food safety systems, should be accelerated to improve regulatory outcomes. The APEC Food Safety Cooperation Forum and its Partnership Training Institute Network can be used as a resource to develop, design and test food safety training modules and methods of delivery, and serves as a model for global initiatives. In this context, we agreed to encourage APEC economies through relevant APEC sub-fora to collaborate in the area of food safety in line with their mandate and competence.

Partnering with key stakeholders

19. Meaningful consultation with relevant stakeholders is critical to making sustained progress towards our food security goals. Robust engagement helps strengthen the commitment of key players and ensures that the best ideas are utilized. Stakeholders comprise a broad range of players including non-government organizations, foundations, universities, multilateral institutions and private sector entities. We noted the value of ABAC's input over the years, including its development and advocacy of the APEC Food System concept and its publication of a Strategic Framework for Food Security in APEC in 2009, and instructed Senior Officials to integrate ABAC into APEC's food security efforts in a more substantive manner.

The Way Forward

20. We instructed APEC Senior Officials to monitor the implementation of the Action Plan on

Food Security, to report progress on its implementation to APEC Ministers on an annual basis, and to compile an assessment report on overall achievements following the completion of the Action Plan.

1 FAO (2009) The State of Food Insecurity in the World 2009.

2 FAO (2009) How to Feed the World in 2050.

3 OECD-FAO (2010) OECD-FAO Agricultural Outlook 2010-2019.

4 FAO (1996) World Food Summit Plan of Action.

5 FAO (2009) The State of Food Insecurity in the World 2009.

6 The term, agricultural sector, comprises crops, livestock, forestry and fisheries sectors in this declaration.

7 FAO (2009) How to Feed the World in 2050.

8 APEC (2008) Strategy for Disaster Risk Reduction and Emergency Preparedness and Response in the Asia Pacific Region: 2009 to 2015 (2008/SOM3/TFEP012).

9 World Bank (2007) World Development Report 2008: Agriculture for Development.

10 IPCC (2007) IPCC Fourth Assessment Report: Climate Change 2007.

11 FAO (2009) How to Feed the World in 2050.

12 World Bank (2007) World Development Report 2008: Agriculture for Development